

TENNESSEE STATE SCHOOL BOND AUTHORITY
September 15, 2015
AGENDA

1. Call meeting to order
2. Approval of Minutes from the TSSBA meeting of August 12, 2015
3. Approval of Projects for:

The Tennessee Board of Regents

- East Tennessee State University – DP Culp Renovations (352); Cost: \$40,500,000 of which \$39,000,000 will be funded by TSSBA; Term of Financing: 25 years as long-term financing
- Tennessee Technological University – Residence Hall Upgrades (926); Cost: \$6,480,000 of which \$6,430,000 will be funded by TSSBA; Term of Financing: 10 years as short-term financing

The University of Tennessee

- University of Tennessee Health Science Center, Knoxville– Audiology and Speech Pathology Building (A85); Cost \$65,060,000 of which \$60,060,000 will be funded by TSSBA; Term of Financing: 30 years as long-term financing

4. Adjourn

TENNESSEE STATE SCHOOL BOND AUTHORITY
AUGUST 12, 2015

The Tennessee State School Bond Authority ("TSSBA" or the "Authority") met on Tuesday, August 12, 2015, at 1:50 p.m., in the Executive Conference Room, Ground Floor, Tennessee State Capitol, Nashville, Tennessee.

The following members were present:

Jason Mumpower, proxy for Honorable Justin Wilson, Comptroller
Keith Boring, proxy for Honorable Tre Hargett, Secretary of State of Tennessee
Honorable David Lillard, State Treasurer
Larry Martin, Commissioner of Finance and Administration
Butch Peccolo, proxy for Dr. Joe DiPietro, President, University of Tennessee

The following members participated telephonically:

Chancellor John Morgan, Tennessee Board of Regents

Recognizing a physical quorum present, Mr. Lillard called the meeting to order and asked for a motion to approve the minutes of the meeting held on June 23, 2015. Mr. Martin moved approval of the minutes. Mr. Boring seconded the motion. There being no questions, Mr. Lillard called for roll-call vote:

Mr. Martin	Aye
Mr. Peccolo	Aye
Mr. Boring	Aye
Mr. Lillard	Aye
Mr. Morgan	Aye
Mr. Mumpower	Aye

Mr. Wilson stated that the next item on the agenda was the consideration and approval of projects for the University of Tennessee. Mr. Lillard recognized Mr. Peccolo, who presented the following projects for consideration for the University of Tennessee:

- University of Tennessee, Chattanooga – Campus Site Improvements; Cost \$3,500,000 of which \$3,000,000 will be funded by TSSBA; Term of Financing: 20 years as long-term financing
- University of Tennessee, Knoxville – Campus Beautification Project; Cost \$6,400,000 all of which will be funded by TSSBA; Term of Financing: 20 years as long-term financing
- University of Tennessee, Knoxville – Science Laboratory Facility (Cumberland & 13th); Cost \$102,490,000 of which \$24,490,000 will be funded by TSSBA; Term of Financing: 30 years as long-term financing

Mr. Peccolo noted that the Science Laboratory project was also to receive funding from general obligation bonds, and TSSBA would be funding the "matching" component of this project.

Mr. Lillard asked if the applications had been reviewed by staff to determine that pledged revenues would be sufficient to cover debt service. Ms. Sandra Thompson, Assistant Secretary to the Authority and Director of the Office of State and Local Finance, replied that they had been reviewed and no issues were noted. Mr. Martin moved approval of the projects. Mr. Morgan seconded the motion. There being no questions, Mr. Lillard called for roll-call vote:

Mr. Martin	Aye
Mr. Peccolo	Aye
Mr. Boring	Aye
Mr. Morgan	Aye

Mr. Lillard	Aye
Mr. Mumpower	Aye

Mr. Lillard asked if there was other business to be presented to the Authority. Hearing none, he adjourned the meeting.

Approved on this ____ day of _____, 2015

Respectfully submitted,

Sandra Thompson
Assistant Secretary

Tennessee State School Bond Authority Feasibility Study

Feasibility Study - Project Name: 60

Individual Project Summary

Revenue Source: Annual Student Fees \$ 3,500,000

Total Revenue Source: \$3,500,000

Assumptions:

Project Cost	\$32,955,000	\$6,045,000	\$39,000,000
Interest Rate	7.13%	7.73%	
Tax Status	Tax-Exempt	Taxable	
Term of Financing	25-Years	25-Years	
Cost of Issuance	\$494,325	\$90,675	

	Feasibility Test		
	May Principal (No DSRF)	Bifurcated Principal (No DSRF)	November Principal (No DSRF)
Pledged Revenues	\$3,500,000	\$3,500,000	\$3,500,000
New Taxable Max-Semi Annual DS	\$541,214	\$416,661	\$534,154
New Tax-Exempt Max-Semi Annual DS	\$2,806,169	\$2,133,565	\$2,766,072
Total Max-Semi Annual DS	\$3,347,383	\$2,550,226	\$3,300,226
Feasible	Yes	Yes	Yes

Prepared on September 08, 2015 by Jacqueline Felland

Project Disclosed in Budget

*TSSBA staff conducts a feasibility test on a project-by-project basis to ensure that each individual project has sufficient revenue pledged to cover the projected maximum annual debt service charged to the project. On an annual basis, and prior to the issuance of long-term debt, an assessment is performed pursuant to Article 2.01 (b) which requires that the aggregate amount of the Fees and Charges collected by an Institution in the preceding Fiscal Year is not less than two times the amount required for the payment of the aggregate of the maximum amount of Annual Financing Charges



Tennessee Board of Regents

1415 Murfreesboro Road – Suite 664 – Nashville, Tennessee 37217-2833
(615) 366 – 4400 FAX (615) 366 – 3992

July 20, 2015

Ms. Sandi Thompson, Director
Office of State and Local Finance
James K. Polk Building, 16th Floor
Nashville, TN 37243

RE: East Tennessee State University (ETSU)
D. P. Culp renovations
SBC Project No. 166/005-01-2014

Ms. Thompson:

We are requesting \$39M bond financing for 25 years for the East Tennessee State University D. P. Culp Renovations project. The total estimated project cost is \$40,500,000. **We will be presenting this project at the August 13, 2015 SBC Meeting.**

The project scope includes interior and exterior renovations for student affairs and activities, including a 46,000 SF addition to the student center. The annual bond financing will be repaid with student debt service fees. The project application and attached pro forma are attached.

Your review and consideration of this request will be appreciated. Please advise if you have any questions.

Sincerely,

Dick J. Tracy
Executive Director
Office of Facilities Development

Enclosures

c: Russ Deaton w/encs.
David Collins

Prepared on: July 9, 2015

School: East Tennessee State University

Project: D.P. Culp Center/Stone Hall Renovation

Project #: 166/005-01-2014

Disclosed in Budget:

Jul-13

Original

Revenue Source: Annual Debt Service Fee

3,500,000

Total Revenue Src:

\$ 3,500,000

Assumptions: Project Cost

\$ 39,000,000.00

Interest Rate

7.50%

No. of Years

25

Cost of Issuance

2.00%

Interest on DSRF

2.25%

Administrative Costs

0.20%

Annual Debt Service Pmt.

\$3,498,716.19

Issue Size

Project Cost

\$ 39,000,000.00

Cost of Issuance

\$ 780,000.00

Administrative Costs

\$ 78,000.00

Debt Serv. Reserve Fund

\$3,498,716.19

Size of Bond Issue

\$ 43,356,716.19

Annual Debt Service Pmt.

\$ 3,498,716.19

Less: Int. Earnings on DSRF

\$ 78,721.11

Net Debt Service Payment

\$ 3,419,995.08

Project Request**SBC1**

1 Department: **Tennessee Board of Regents**
 Project Title: **D. P. Culp Renovations**
 Institution: **ETSU**
 City/County: **Johnson City / Washington**

Submitting

07/15/2015

SBC No: **166/005-01-2014**

3	<input type="checkbox"/> Capital Outlay		New	Renovation
	<input type="checkbox"/> Capital Maintenance	Gross Sq. Ft.	0	251,603
	<input checked="" type="checkbox"/> Disclosure	Net Sq. Ft.	0	0
	<input type="checkbox"/> Designer Required	Cost/Sq. Ft.	\$0.00	\$0.00

4 Project Description

Interior and exterior renovations for student affairs and activities. Phase 1 will include interior renovations for a multi-cultural center and various other student space. Phase 2 will construct a 46,000 sf addition to the student center. This addition will enhance circulation and provide space for food service, media center, student lounge, and other student functions

5	Total Project	Allocation			
	\$29,038,000.00	\$29,038,000.00	Building Construction		
	\$0.00	\$0.00	Site & Utilities		
	\$0.00	\$0.00	Built-in Equipment		
	\$29,038,000.00	\$29,038,000.00	Bid Target		
	\$2,903,500.00	\$2,903,500.00	Contingency	9.99%	9.99%
	\$31,941,500.00	\$31,941,500.00	M.A.C.C.		
	\$2,199,204.00	\$2,199,204.00	Fee	0.0000000	0.0000000 Multi Fee
	\$5,500,000.00	\$5,500,000.00	Movable Equipment		
	\$267,375.00	\$267,375.00	Commissioning		
	\$3,215.00	\$3,215.00	C & I fees		
	\$588,706.00	\$588,706.00	Administration & Miscellaneous		
	\$40,500,000.00	\$40,500,000.00	Total Cost		

6 Funding

\$0.00	\$0.00	STATE Funds
\$0.00	\$0.00	FEDERAL Funds
\$40,500,000.00	\$40,500,000.00	Plant (auxiliary, student fees) & TSSBA (student f
\$40,500,000.00	\$40,500,000.00	

7 Available Funding Sources

\$1,500,000.00	Plant Funds (auxiliary, student fees)
\$39,000,000.00	TSSBA (student fees)
\$0.00	
\$0.00	
\$0.00	
\$40,500,000.00	

8 SBC Action

Date	Action
04/16/2014	Approve project
05/19/2014	Designer selected

9 Designer

Red Chair Architects

**Tennessee State School Bond Authority
Project Application**

DEPARTMENT: Tennessee Board of Regents

INSTITUTION/LOCATION: East Tennessee State University, Johnson City, TN

PROJECT : D. P. Culp Renovations

SBC PROJECT #: 166/005-01-2014

PROJECT BUDGET:

Funding Sources:	<u>TSSBA</u>	<u>39,000,000</u>
	<u>Plant, Auxiliary (student fees)</u>	<u>1,500,000</u>
	<u>Total</u>	<u>\$40,500,000</u>

PROJECT REVENUES: (Describe sources and projected levels)

Annual Student Fees in the amount of \$3,500,000

PROJECT LIFE:

Anticipated Useful Life of Project: 30 years

Desired Term for Financing (if less than useful life): 25 years

ESTIMATED ANNUAL FINANCING CHARGE: \$3,498,716.19

PROJECT APPROVAL DATES:

BOARD: 3/27/2014

THEC: 4/24/2014

SBC: 8/13/2015

Disclosed in the Governor's Budget: X Yes No If yes, what year? 2013/2014

Interior and exterior renovations for student affairs and activities. Phase 1 will include interior renovations for a Multi-cultural center and various other student space. Phase 2 will construct a 46,000 sf addition to the student Center. This addition will enhance circulation and provide space for food service, media center, student lounge, and other student functions.

Owner of real property _ Tennessee Board of Regents

To be acquired

To be leased or other arrangement

1. Project Status: (If the project has already been completed, and the proceeds are being used to reimburse the department, please so indicate and include date of project completion.)

On-going project, phase 1 is nearing completion.

2. Project completion estimated to be: August 2019

3. Project Owner: Tennessee Board of Regents

4. Project Operator (see also item 8 below): East Tennessee State University

5. **Intended Use of the Project:** Student activities

6. Intended Users of the Project (excluding use by the general public): Students

7. Indicate whether any of the following activities will take place at the project. Indicate whether the activities are operated by a private entity or will indirectly benefit a private entity. Include all incidental private uses. For each direct or indirect private use of the project, indicate the total amount of space the private use occupies in relation to the entire project. (For example, if an area of vending machines operated by a private contractor occupies 50 square feet of a 5,000 square foot area financed, indicate the relationship in terms of the ratio of square footage used.)

Gross Square Footage of Building 232,500 (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage 450

Operator Tennessee Blind Enterprises

Are any vending areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? No

B. Wholesalers or retailers (e.g., Newsstand, Book Store, Pharmacy, etc.):

Square Footage 16,953

Type Bookstore

Operator Follett Book

C. Pay Telephones:

Square Footage 0

D. Laundry Services:

Square Footage 0

Operator NA

Are any laundry service areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? NA

E. Cafeteria or other food services areas:

Square Footage 34,471

Operator Aramark

F. Provision of health care services:

Square Footage 0

Operator NA

G. Laboratory research performed on behalf of or for the benefit of a private entity or pursuant to a cooperative research agreement:

Square Footage 0

Recipient NA

H. Office space utilized by or on behalf of private entities:

Square Footage 0

NA

I. Provision of housing for persons or entities other than enrolled students:

NA

8. Attach copies of any management contracts or incentive payment contracts entered into, or to be entered into, in connection with the operation of the project. (Do not include contracts for services that are solely incidental to the primary governmental functions of the facility (for example, contracts for janitorial, office equipment repair or similar services). Indicate the portion of the project to which the contracts relate. Give the usable square feet involved compared to the total usable square feet of the facility being financed. If a contract has not been entered into but is anticipated, indicate that fact.

No management contracts for this facility.

9. Will any debt proceeds be used to make or finance loans to any private entity? If so, indicate the amount of such loans, the length and payment terms of such loans: No

10. Indicate any expected payments (direct or indirect) to be made by non-governmental entities, separately and in the aggregate, to the State or any other governmental entity, with respect to the project.

N/A

11. Additional information not explained above.

Completed this _____ day of _____, _____

John G. Morgan
Chancellor

Dick Tracy, Executive Director
Office of Facilities Development

Dale Sims, Vice Chancellor for
Business & Finance

To be filled out by the Authority

BOND COUNSEL APPROVAL:	DATE	08/03/2015
	GOOD	84.5% (\$32,955,000)
	5%	
	10%	15.5% (\$6,045,000)

Tennessee State School Bond Authority Feasibility Study

Project Name: [REDACTED] Project Number: [REDACTED]

Individual Project Summary

Revenue Source:	Annual Rent	\$	1,100,000.00
	Total Revenue Source:	\$	1,100,000.00
Assumptions:	TSSBA Funding Requested	\$	6,430,000.00
	Interest Rate		2.25%
	Status		Tax-Exempt
	Term of Financing		10

Feasibility Test	
	Annual Short-Term Pmt
Pledged Revenue	\$1,100,000
New Max-Semi Annual DS	\$725,225
Feasible	Yes

*TSSBA staff conducts a feasibility test on a project-by-project basis to ensure that each individual project has sufficient revenue pledged to cover the projected maximum annual debt service charged to the project. On an annual basis, and prior to the issuance of long-term debt, an assessment is performed pursuant to Article 2.01 (b) which requires that the aggregate amount of the Fees and Charges collected by an Institution in the preceding Fiscal Year is not less than two times the amount required for the payment of the aggregate of the maximum amount of Annual Financing Charges.



Tennessee Board of Regents

1415 Murfreesboro Road – Suite 664 – Nashville, Tennessee 37217-2833
(615) 366 – 4400 FAX (615) 366 – 3992

August 26, 2015

Ms. Sandi Thompson, Director
Office of State and Local Finance
James K. Polk Building, 16th Floor
Nashville, TN 37243

RE: Tennessee Technological University (TTU)
Residence Hall Upgrades
SBC Project No. 166/011-08-2013

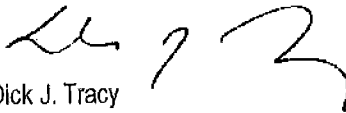
Ms. Thompson:

We are requesting \$6,430,000 bond financing for 10 years for the Tennessee Technological University Residence Hall Upgrades project. The total estimated project cost for Phase I is \$6,480,000. We will be presenting this project at the September 10, 2015 SBC Meeting.

The project scope for Phase I includes renovations to Maddux/McCord and Browning/Evans facilities, including mechanical and plumbing systems, electrical, and interior renovations. The annual bond financing will be repaid with annual rental fees. The project application and attached pro forma are attached.

Your review and consideration of this request will be appreciated. Please advise if you have any questions.

Sincerely,



Dick J. Tracy
Executive Director
Office of Facilities Development

Enclosures

c: Russ Deaton w/encls.
David Collins

**Tennessee State School Bond Authority
Project Application**

DEPARTMENT: Tennessee Board of Regents

INSTITUTION/LOCATION: Tennessee Technological University

PROJECT : Residence Hall Upgrades

SBC PROJECT #: 166/011-08-2015

PROJECT BUDGET:

Funding Sources:	<u>TSSBA</u>	<u>6,430,000</u>
	<u>Other: Plant funds (Auxiliary, housing)</u>	<u>50,000</u>
	Total	<u>\$6,480,000</u>

PROJECT REVENUES: (Describe sources and projected levels)

Annual rent in the amount of \$1,100,000

PROJECT LIFE:

Anticipated Useful Life of Project: 20 years

Desired Term for Financing (if less than useful life): 10 years

ESTIMATED ANNUAL FINANCING CHARGE: \$873,630.97

PROJECT APPROVAL DATES:

BOARD: 3/27/15

THEC: 4/24/15

SBC: 9/10/15

Disclosed in the Governor's Budget: X Yes No If yes, what year? 2015

Renovate Maddux/McCord Halls, including mechanical and plumbing systems, electrical, and interior renovations.

Owner of real property Tennessee Board of Regents

To be acquired _____ To be leased or other arrangement

1. Project Status: (If the project has already been completed, and the proceeds are being used to reimburse the department, please so indicate and include date of project completion.) New project.
2. Project completion estimated to be: July 31, 2017
3. Project Owner: Tennessee Board of Regents
4. Project Operator (see also item 8 below): Tennessee Technological University
5. Intended Use of the Project: Student housing

6. Intended Users of the Project (excluding use by the general public): students

7. Indicate whether any of the following activities will take place at the project. Indicate whether the activities are operated by a private entity or will indirectly benefit a private entity. Include all incidental private uses. For each direct or indirect private use of the project, indicate the total amount of space the private use occupies in relation to the entire project. (For example, if an area of vending machines operated by a private contractor occupies 50 square feet of a 5,000 square foot area financed, indicate the relationship in terms of the ratio of square footage used.)

Gross Square Footage of Building 55,935 (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage 150

Operator Pepsi and Five Star Vending

Are any vending areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? No

B. Wholesalers or retailers (e.g., Newsstand, Book Store, Pharmacy, etc.):

Square Footage 2,024

Type Convenience Market

Operator Chartwells

C. Pay Telephones:

Square Footage N/A

D. Laundry Services:

Square Footage N/A

Operator _____

Are any laundry service areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? No

E. Cafeteria or other food services areas:

Square Footage N/A

Operator _____

F. Provision of health care services:

Square Footage N/A

Operator _____

G. Laboratory research performed on behalf of or for the benefit of a private entity or pursuant to a cooperative research agreement:

Square Footage N/A

Recipient _____

H. Office space utilized by or on behalf of private entities:

Square Footage N/A

Occupant _____

I. Provision of housing for persons or entities other than enrolled students:

Square Footage N/A

8. Attach copies of any management contracts or incentive payment contracts entered into, or to be entered into, in connection with the operation of the project. (Do not include contracts for services that are solely incidental to the primary governmental functions of the facility (for example, contracts for janitorial, office equipment repair or similar services). Indicate the portion of the project to which the contracts relate. Give the usable square feet involved compared to the total usable square feet of the facility being financed. If a contract has not been entered into but is anticipated, indicate that fact.
- _____
- _____
- _____

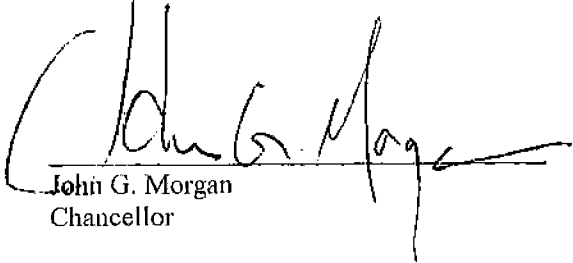
9. Will any debt proceeds be used to make or finance loans to any private entity? If so, indicate the amount of such loans, the length and payment terms of such loans: NO
- _____

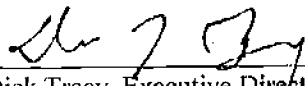
10. Indicate any expected payments (direct or indirect) to be made by non-governmental entities, separately and in the aggregate, to the State or any other governmental entity, with respect to the project.


NONE

11. Additional information not explained above. _____
- _____

Completed this 26th day of August, 2015.


John G. Morgan
Chancellor


Dick Tracy, Executive Director
Office of Facilities Development


Dale Sims, Vice Chancellor for
Business & Finance

To be filled out by the Authority

BOND COUNSEL APPROVAL:	DATE	_____
	GOOD	_____
	5%	_____
	10%	_____

Project Request**SBC1**

1 Department: **Tennessee Board of Regents** Submitting
 Project Title: **Residence Hall Upgrades**
 Institution: **TTU** 08/17/2015
 City/County: **Cookeville / Putnam** SBC No: **166/011-house**

3	<input type="checkbox"/> Capital Outlay		New	Renovation
	<input type="checkbox"/> Capital Maintenance	Gross Sq. Ft.	0	112,157
	<input checked="" type="checkbox"/> Disclosure	Net Sq. Ft.	0	0
	<input checked="" type="checkbox"/> Designer Required	Cost/Sq. Ft.	\$0.00	\$90.00

4 Project Description

Renovate Maddux/McCord and Browning/Evans facilities, including mechanical and plumbing systems, electrical, and interior renovations.

5	Total Project	Allocation			
	\$10,100,000.00	\$5,050,000.00	Building Construction		
	\$0.00	\$0.00	Site & Utilities		
	\$0.00	\$0.00	Built-in Equipment		
	\$10,100,000.00	\$5,050,000.00	Bid Target		
	\$1,010,000.00	\$305,000.00	Contingency	10.00%	10.00%
	\$11,110,000.00	\$5,555,000.00	M.A.C.C.		
	\$824,433.00	\$590,412.00	Fee	5.0000000	0.0000000
	\$0.00	\$0.00	Movable Equipment		Renovation
	\$160,000.00	\$80,000.00	Commissioning		
	\$0.00	\$0.00			
	\$405,567.00	\$254,588.00	Administration & Miscellaneous		
	\$12,500,000.00	\$6,480,000.00	Total Cost		

6 Funding

\$0.00	\$0.00	STATE Funds
\$0.00	\$0.00	FEDERAL Funds
\$12,500,000.00	\$6,480,000.00	TSSBA & auxiliary
\$12,500,000.00	\$6,480,000.00	

7 Available Funding Sources

\$6,430,000.00	TSSBA (rent)
\$50,000.00	Plant (auxiliary, housing)
\$0.00	
\$0.00	
\$0.00	
\$6,480,000.00	

8 SBC Action

Date	Action
------	--------

9 Designer

tbd

Tennessee State School Bond Authority Feasibility Study

UTHSC Audiology & Speech Pathology Project - Project Number 185

Individual Project Summary

Revenue Source:	UTHSC Hospital proceeds	\$	2,500,000
	UTHSC Operating Funds		2,729,004
Total Revenue Source:			\$5,229,004

Assumptions:

Project Cost	\$19,230,000	\$40,830,000	\$60,060,000
Interest Rate	7.85%	7.25%	
Tax Status	Taxable	Tax-Exempt	
Term of Financing	30-Years	30-Years	
Cost of Issuance	\$288,450	\$612,450	

Feasibility Test			
	<u>May Principal</u> (No DSRF)	<u>Bifurcated Principal</u> (No DSRF)	<u>November Principal</u> (no DSRF)
Pledged Revenues	\$5,229,004	\$5,229,004	\$5,229,004
New Taxable Max-Semi Annual DS	\$1,647,090	\$847,002	\$1,633,348
New Tax-Exempt Max-Semi Annual DS	\$3,308,231	\$1,695,464	\$3,277,308
Total Max-Semi Annual DS	\$4,955,321	\$2,542,467	\$4,910,656
Feasible	Yes	Yes	Yes

Prepared on September 08, 2015 by Jacqueline Felland

Project Disclosed in Budget

*TSSBA staff conducts a feasibility test on a project-by-project basis to ensure that each individual project has sufficient revenue pledged to cover the projected maximum annual debt service charged to the project. On an annual basis, and prior to the issuance of long-term debt, an assessment is performed pursuant to Article 2.01 (b) which requires that the aggregate amount of the Fees and Charges collected by an Institution in the preceding Fiscal Year is not less than two times the amount required for the payment of the aggregate of the maximum amount of Annual Financing Charges.

Tennessee State School Bond Authority
UTHSC Audiology & Speech Pathology Project Application

DEPARTMENT: University of Tennessee

INSTITUTION/LOCATION: UT Health Science Center/ Knoxville

SBC PROJECT #: 540/013-01-2015

PROJECT BUDGET:

Funding Sources:	<u>TSSBA</u>	<u>\$60,060,000</u>
	<u>Other - Plant Funds Non-Auxiliary</u>	<u>\$ 5,000,000</u>
		<u>\$</u>
	Total	<u>\$65,060,000</u>

PROJECT REVENUES: (Describe sources and projected levels)

Annual debt service to be funded by two sources: The University Health Systems Hospital proceeds estimated at \$2.5 million annually, and the remainder with UTHSC Operating Funds.

PROJECT LIFE:

Anticipated Useful Life of Project: 30+ years

Desired Term for Financing (if less than useful life): 30 years

ESTIMATED ANNUAL FINANCING CHARGE: \$5,840,000

PROJECT APPROVAL DATES:

BOARD: 3/4/2015

THEC: 4/22/2015

SBC: 5/13/2015

Disclosed in the Governor's Budget: X Yes No If yes, what year? 2015

PROJECT DESCRIPTION: Physical description, including land, buildings and equipment with approximate dollar value. (If a renovation or repair project, please provide information with respect to the renovated or improved portion as well as the entire structure).

This project will provide for a 135,600 GSF multi-department building to be located at the UT Medical Center
Campus in Knoxville adjacent to the Pharmacy building. It will house the departments of Audiology & Speech
Pathology, and potentially the College of Dentistry and the College of Medicine.

REAL ESTATE:

Owner of real property State of Tennessee – Leased to University Hospital System, Inc.

 To be acquired X To be leased or other arrangement

The purpose of the following questions are to determine the tax status of this project to be financed with the proceeds of Tennessee State School Bond Authority Bonds and/or Bond Anticipation Notes and the amount of private use associated with this project. Private use means the direct or indirect use of the project by any entity other than a state or local government entity, including use by the Federal Government (including its agencies and instrumentalities) or a Section 501(c)(3), (c)(4), or (c)(6) organization. When the project consists of an improvement that does not involve space that is being used directly by governmental or private users (for example, a re-roofing, air conditioning or energy efficiency improvement), all questions involving uses and users of the project should be answered by reference to all portions of the facility or facilities benefited by the improvement.

The questions below relate to the project referenced above. Attach additional sheets as required. **Please make a copy of this document for your files.**

1. Project Status: (If the project has already been completed, and the proceeds are being used to reimburse the department, please so indicate and include date of project completion.) Planning and Design
2. Project completion estimated to be: Est. 2018
3. Project Owner: University of Tennessee
4. Project Operator (see also item 8 below): University of Tennessee
5. Intended Use of the Project: Clinical, Research, academic and office space for Department of Audiology and Speech Pathology, Clinical Space for the College of Dentistry, Office/Academic Space for the College of Medicine

6. Intended Users of the Project (excluding use by the general public): University of Tennessee faculty from the College of Medicine, Health Professions and Dentistry
7. Indicate whether any of the following activities will take place at the project. Indicate whether the activities are operated by a private entity or will indirectly benefit a private entity. Include all incidental private uses. For each direct or indirect private use of the project, indicate the total amount of space the private use occupies in relation to the entire project. (For example, if an area of vending machines operated by a private contractor occupies 50 square feet of a 5,000 square foot area financed, indicate the relationship in terms of the ratio of square footage used.)

Gross Square Footage of Building 135,600 (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage 60

Operator Vendor

Are any vending areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? _____

B. Wholesalers or retailers (e.g., Newsstand, Book Store, Pharmacy, etc.):

Square Footage N/A

Type _____

Operator _____

C. Pay Telephones:

Square Footage N/A

D. Laundry Services:

Square Footage N/A

Operator _____

Are any laundry service areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? _____

E. Cafeteria or other food services areas:

Square Footage N/A

Operator _____

F. Provision of health care services:

Square Footage N/A

Operator _____

G. Laboratory research performed on behalf of or for the benefit of a private entity or pursuant to a cooperative research agreement:

Square Footage 32,000

Recipient UT Audiology; UT Dept of Oral & Maxillofacial surgery

H. Office space utilized by or on behalf of private entities:

Square Footage 33,000

Occupant

UT Audiology & Speech Pathology; UT College of Dentistry; UT Dept of Oral & Maxillofacial surgery

I. Provision of housing for persons or entities other than enrolled students:

Square Footage N/A

8. Attach copies of any management contracts or incentive payment contracts entered into, or to be entered into, in connection with the operation of the project. (Do not include contracts for services that are solely incidental to the primary governmental functions of the facility (for example, contracts for janitorial, office equipment repair or similar services). Indicate the portion of the project to which the contracts relate. Give the usable square feet involved compared to the total usable square feet of the facility being financed. If a contract has not been entered into but is anticipated, indicate that fact.

N/A


9. Will any debt proceeds be used to make or finance loans to any private entity? If so, indicate the amount of such loans, the length and payment terms of such loans: No


10. Indicate any expected payments (direct or indirect) to be made by non-governmental entities, separately and in the aggregate, to the State or any other governmental entity, with respect to the project.

The University Health Systems Hospital proceeds are estimated at \$2.5 million annually

11. Additional information not explained above. N/A

Completed this 8th day of July, 2015.


Joseph A. DiPietro
President


Charles M. Peccolo
Treasurer, Chief Financial Officer/
Chief Investment Officer


Robbi Stivers, Executive Director
Office of Capital Projects

To be filled out by the Authority

BOND COUNSEL APPROVAL:	DATE	<u>08/28/2015</u>
	GOOD	<u>68%</u>
	5%	<u></u>
	10%	<u>32% (19,230,000)</u>